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Special Master George Finkle

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON

In the Matter of the Application
regarding the Conversion and
Acquisition of Control of Premera Blue
Cross and its Affiliates.

No. G 02-45

DECLARATION OF KENT
MARQUARDT

I, KENT MARQUARDT, make the following declaration:

1. I am the Executive Vice President and Chief Financial Officer of Plaintiffs
Premera and Premera Blue Cross (collectively, "Premera"). Unless otherwise stated, I
make this declaration of my own personal knowledge.

2. I have been the Chief Financial Officer of Premera since October 1998. I
am responsible for the finance, actuarial, business information services, underwriting and
healthcare economics departments of Premera and Premera's subsidiaries and affiliates.
My duties include the preparation and review of a wide range of financial data and
information, including the creation of budgets, financial reports, and financial projections
for Premera and its subsidiaries and affiliates.

DECLARATION OF
KENT MARQUARDT - 1

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PRESTON GATES & ELLIS LLP
925 FOURTH AVENUE
SUITE 2900
SEATTLE, WASHINGTON 98104-1158
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1 3. I am familiar with the draft and final OIC Staff Consultant Reports
2 (collectively, "Consultant Reports") and with the Attorneys' Eyes Only designated
3 materials ("AEO Materials") of those Consultant Reports.

4 4. The AEO Materials consist of information of Premera that derives
5 economic value, actual and potential, from not being generally known to, and not being
6 readily ascertainable by proper means by, other persons who can obtain competitive
7 advantage or economic value from its disclosure or use.

8 5. The Washington State Medical Association ("WSMA"), its President and
9 its Director of Health Care Economics should not be permitted to see any of the AEO
10 Designations. I believe that they each would obtain competitive advantage and economic
11 value from having access to the AEO Materials. I do not question their trustworthiness.
12 But it is also the case that neither they nor anyone else would be able to compartmentalize
13 the AEO Materials, so as to avoid using the information in the AEO Materials for
14 competitive and economic purposes other than testifying at the Conversion Hearing.

15 6. Any benefit that might accrue from their having access to the AEO
16 Materials would be greatly outweighed by the harm to Premera. The WSMA's attorneys
17 have access to the AEO Materials and, with such access, they can protect and promote the
18 interests of the WSMA as an Intervenor in the Conversion Hearing.

19 I declare under penalty of perjury of the laws of the State of Washington that the
20 foregoing is true and correct.

21 Executed at Montlake Terrace, Washington, on October 31, 2003.

22
23 
24 KENT MARQUARDT
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DECLARATION OF
KENT MARQUARDT - 2

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